

Message Text

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ACTION EB-11

INFO OCT-01 CIAE-00 COME-00 DODE-00 NSAE-00 RSC-01 TRSE-00

EUR-25 AEC-11 ISO-00 DRC-01 /050 W

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FM AMCONSUL STUTTGART

TO SECSTATE WASHDC 1861

INFO AMEMBASSY BONN

AMCONSUL FRANKFURT

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EXCON

E.O. 11652: N/A

TAGS: ESTC, GW

SUBJ: PETER LORENZ, ET AL

REF: STATE 193970, AND STATE 194927

SUMMARY:

LORENZ NOW WANTS TO KEEP ENTIRE TELDATA SYSTEM IN TACT AT TELDATA PREMISES IN GERLINGEN. LORENZ TAKING OVER OBLIGATIONS AND CONTRACTS OF BRANKRUPT TELDATA. ALTHOUGH CIU STUTTGART WOULD BE HAPPY IF OEC GRANTED NO DENIAL ORDER EXCEPTIONS TO LORENZ, THE IBM CARD READER IN QUESTION IS A DIFFERENT PIECE OF EQUIPMENT ALTOGETHER FROM THE TELEX MEMORY UNIT SEIZED AT DEUTSCHE TAILLEUR. IBM, IN A CHANGE OF HEART, VNOW ENDORSES LORENZ REQUEST FOR EXCEPTION TO ALLOW LEASE OF CARD READER TO LORENZ. IF DECISION IS FAIRLY PROMPT, IBM WILL NOT REMOVE CARD READER FROM TELDATA PREMISES UNTIL OEC RULES ON EXCEPTION APPLICATION. FOR BACKGROUND ON EQUIPMENT INVOLVED, SEE STUTTGART'S 178 OF MARCH 13,1973, REPORTING THAT LORENZ IS THE OWNER OF THE IBM 360/40 CPU, WHICH HE LEASED TO TELDATA. PERIPHERALS ATTACHED ARE DESCRIBED IN TELDATA LETTER OF JANUARY 23,1973 ADDRESSED TO DEPARTMENT OF COMMERCE: 5 DISK UNITS, 5 TAPE UNITS, LIMITED OFFICIAL USE

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1 PRINTER, WHICH WERE LEASED FROM AND SERVED THROUGH TELEX,

AND ONE CARD-READER IBM 2540 LEASED FROM IBM AND SERVED BY
IBM UNDER LEASING CONTRACT B 48886 OF SEPTEMBER 26, 1972.

1. AS OECSNOW AWARE THROUGH LORENZ TELEX OF SEPTEMBER 28,
LORENZ NO LONGER INTENDS TRANSFER EQUIPMENT FROM TELDATA
PREMISES TO SCHWAHN, BUT RATHER TO KEEP ZHE OPERATION
RUNNING AT THE TELDATA OFFICE IN GERLINGEN. THIS INCLUDES
THE TELEX EQUIPMENT AND THE 360/40, ALL OF WHICH ARE NEEDED TO
RUN A DATA PROCESSING CENTER. THIS DECISION, ACCORDING TO
FILTER ON SEPTEMBER 28, MADE BY LORENZ ON OR ABOUT
SEPTEMBER 27. BOTH FILTER AND IBM REPORT THAT LORENZ HAS
TAKEN OVER OBLIGATIONS AND CONTRACTS OF BANKRUPT TELDATA.
SOME SUSPICION IS VOICED THAT TELDATA BANKRUPTCY MAY HAVE BEEN
PREARRANGED IN ORDER FOR LORENZ TO ENLARGE HIS DATA
PROCESSING SERVICE EMPIRE.

2. CIU STUTTGART ATTITUDE IS PREFERENCE THAT NO
EXCEPTIONS BE GRANTED TO LORENZ DENIAL ORDER. THIS IS EXPRESSED
AS HONEST OPINION ONLY, SINCE KEY INVESTIGATOR (SCHENK)
BELIEVES LORENZ MIGHT SHIP ANYTHING HE GETS HIS HANDS ON TO THE
USSR IN FULFILLMENT OF HIS VERY PROFITABLE DELIVERY CONTRACTS.

3. IBM STUTTGART, ON THE OTHER HAND, NOW ENDORSES LORENZ
EXCEPTION APPLICATION FOR CARD READER. THEY POINT OUT THAT
IT WILL REMAIN IBM PROPERTY THROUGH RENEWAL OF LEASE WHICH
EXPIRED SEPTEMBER 30, AND THAT LORENZ WOULD NOT GO SO FAR
AS TO STEAL EQUIPMENT BY DIVERTING IT WITHOUT TITLE. CARD
READER IN QUESTION UNRELATED TO CUSTOMS SEIZURE AT
DEUTSCHE TAILLEUR, WHICH NETZED ONLY THE TELEX MEMORY UNIT.
IBM WILLING TO ACCEPT SAME STIPULATIONS ON EXCEPTION AS
IMPOSED ON 360/40 MAINFRAME.

4. IBM POSITION MORE INTERESTING SINCE AS RECENTLY AS
WEEK AGO SPOKESMAN TOLD US IBM WOULD NOT ACTIVELY HELP LORENZ
GET EXCEPTION FOR CARD READER. IF IT WERE GRANTED, FINE,
BUT IBM WOULD NOT SECOND THE APPLICATION. FACT THAT EXCEPTION
GRANTED FOR TELEX PERIPHERALS, HOWEVER, MAY NOW HAVE
INFLUENCED IBM ATTITUDE IN VIEW OF RECENT ANTI-TRUST CASE
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WON BY TELEX IN THE U. S. STRONG HINT IS GIVEN THAT IBM DOES
NOT WANT TO APPEAR UNCOOPERATIVE REGARDING ANY COMPATIBLE USE
OF TELEX PERIPHERALS WITH IBM EQUIPMENT IN GERMANY.

5. IBM OFFICIAL ALSO SAID CONTINUATION OF CARD READER LEASE
WOULD GIVE THEM OPPORTUNITY, ON SERVICE CALLS, TO VHRIFY THAT
ALL EQUIPMENT IS STILL IN GERLINGEN AND TO GET SOME IDEA ON
USE OF RUSSIAN COMPUTER THAT HAS BEEN DELIVERED, BUT NOT YET

INSTALLED, AT TELDATA. IBM BELIEVES IT HAS BEEN BROUGHT TO GERMANY AS MODEL FOR EXPERIMENTATION TO LEARN WHAT WESTERN SOFTWARE MAY BE COMPATIBLE.

6. NEWEST WRINKLE IN CASE IS THAT FILTER IS DISASSOCIATING HIMSELF FROM LORENZ. INITIAL REPORT CAME FROM IBM THAT SEPTEMBER 28 WAS HIS LAST DAY. LORENZ OFFICE TOLD US ON OCTOBER 1, THAT FILTER WAS ON LEAVE FOR THREE WEEKS, AND LATEJ IN DAY FILTER PHONED TO SAY THAT HE WILL NOT BE GOING BACK TO LORENZ, THAT HE HAS A NEW JOB BEGINNING NOVEMBER 1. HE SAID HIS PARTING WITH LORENZ WAS REASONABLY AMICABLE, BUT THAT MOST OTHERS IN THE OFFICE DO NOT YET KNOW THAT HE HAS RESIGNED. RUCHTI

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